34th
Annual Report

April 1, 1987 to March 31, 1988

Northwest Territories
Liquor Commission

Photo Captions:
Front Cover: Lac La Martre
Page 9: Dempster Highway
Pages 16-17: Frobisher Sealift

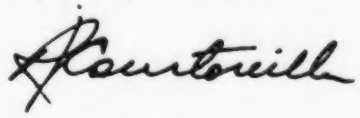
Honourable Steven Kakfwi
Minister of Government Services
Government of the Northwest Territories
Yellowknife, N.W.T.

Dear Mr. Minister:

Pursuant to Section 74 of the Liquor Act, I am pleased to submit the thirty-fourth Annual Report for the fiscal year ended March 31, 1988.

I wish to express my thanks to all of our staff for their support and contribution to the progress of the N.W.T. Liquor Commission during the past year.

Respectfully submitted,



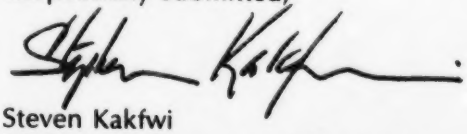
R.J. Courtoreille,
General Manager

Members of the Legislative Assembly
of the Northwest Territories
Yellowknife, N.W.T.

Dear Colleagues:

I am pleased to present herewith, for the information of the members of the Legislative Assembly, the thirty-fourth Annual Report of the Liquor Commission for the fiscal year ended March 31, 1988.

Respectfully submitted,



Steven Kakfwi
Minister of Government Services

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Northwest Territories Liquor Commission

SALES HIGHLIGHTS

YEAR ENDING MARCH 31	SALES	GROSS INCOME	GROSS INCOME % of SALES	% INCREASE in SALES
1969	3,981,842	2,060,746	51.8	15.0
1970	4,783,210	2,334,611	48.8	20.1
1971	5,589,192	2,673,637	47.6	16.8
1972	6,509,383	3,107,027	47.7	16.4
1973	7,496,179	3,585,040	47.7	15.2
1974	8,704,102	4,252,030	48.8	16.1
1975	9,574,266	4,864,861	50.8	9.9
1976	10,981,708	5,081,679	46.3	14.7
1977	11,280,747	5,061,090	44.9	2.7
1978	12,150,944	5,241,284	43.1	7.7
1979	12,783,114	5,992,823	46.9	5.2
1980	13,379,588	6,604,938	49.4	4.7
1981	15,184,548	7,289,791	48.0	13.5
1982	17,750,366	8,154,080	45.9	16.9
1983	20,199,370	9,025,756	44.7	13.8
1984	22,060,442	10,212,125	46.3	9.2
1985	23,516,872	10,999,020	46.8	6.6
1986	24,925,453	11,831,338	48.2	6.0
1987	24,092,337	11,818,319	49.1	(3.4)
1988	25,394,451	12,227,965	48.2	5.4

Revenue From Sale of Liquor
(000's)

- Spirit Sales to Public (35.3%) — $8,961
- Beer Sales to Licensees (24.7%) — $6,278
- Beer Sales to Public (22.2%) — $5,645
- Wine Sales to Public (7.3%) — $1,852
- Spirit and Wine Sales to Licensees (10.5%) — $2,659

Northwest Territories Liquor Commission
LITRES OF LIQUOR SOLD

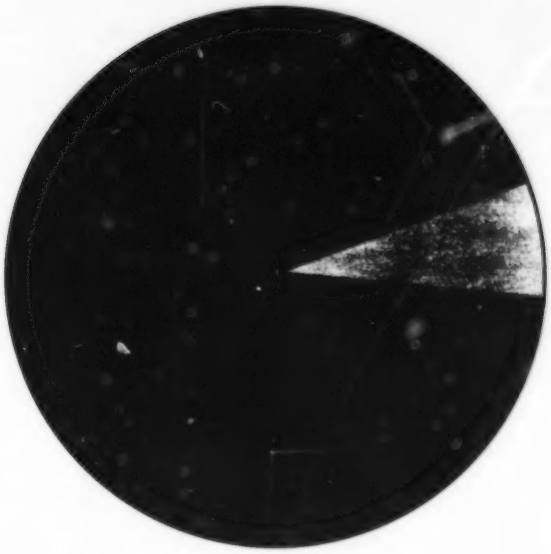
			1987/88	1986/87	
	Domestic	Imported	Total	Total	% Change
Spirits	419,635	75,671	495,306	482,330	2.7
Wine	100,423	172,459	272,882	270,170	1.0
Beer	4,129,941	76,918	4,206,859	4,187,097	.5
	4,649,999	325,048	4,975,047	4,939,597	.7
Litres Absolute					
Alcohol			438,481	431,995	1.5

Litres of Liquor Sold

Beer 84.6%

Spirits 10.0%

Wine 5.4%



Litres of Absolute Alcohol Sold

Beer 48.0%

Spirits 45.2%

Wine 6.8%

Report to the Members of the Legislative Assembly
of the Northwest Territories
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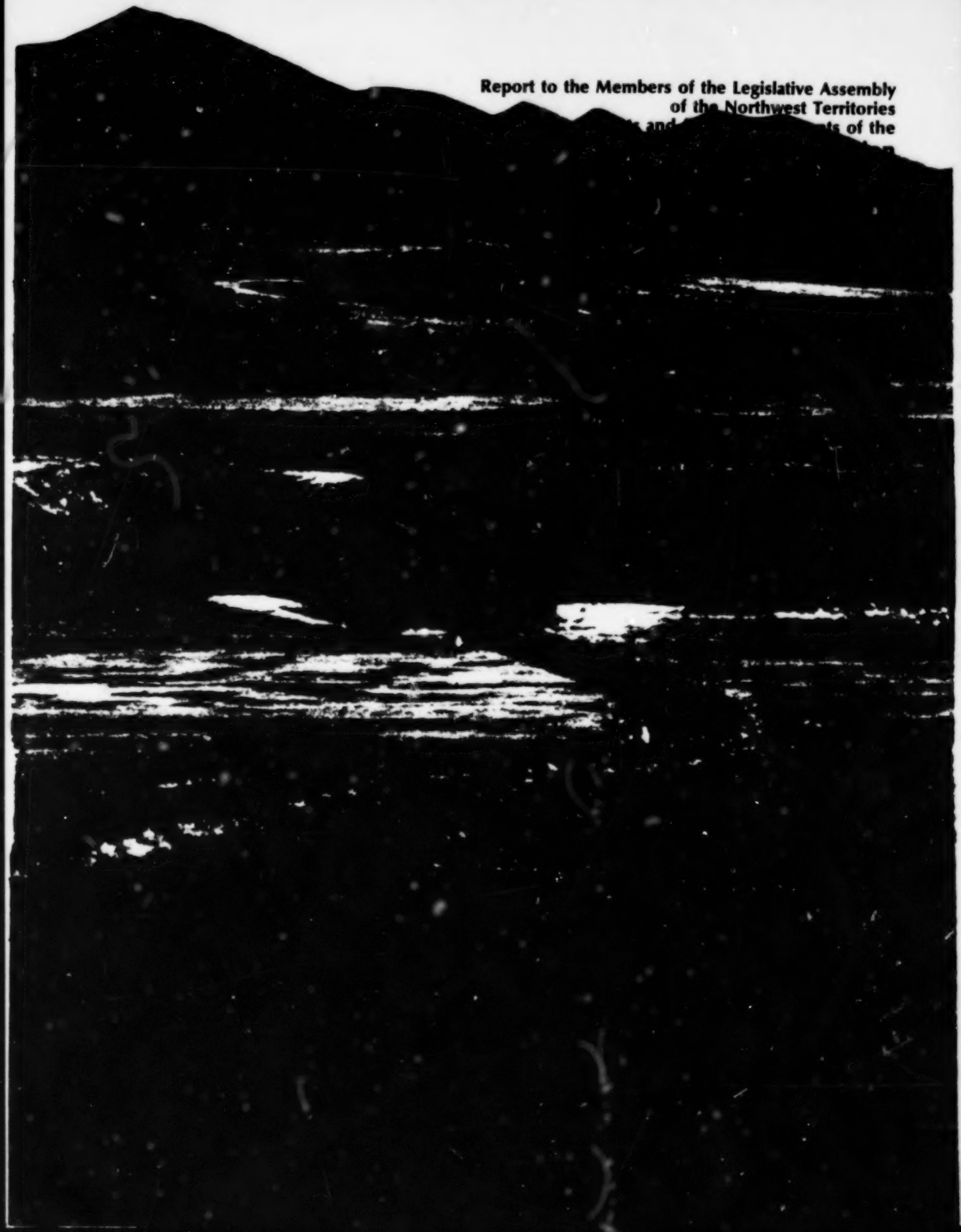


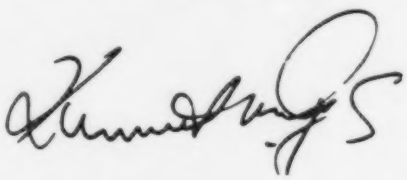
AUDITOR'S REPORT

To the Minister responsible for the
Northwest Territories Liquor Commission

I have examined the balance sheet of the Northwest Territories Liquor Commission as at March 31, 1988 and the statements of income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Commission, the financial statements are in agreement therewith and the transactions that have come under my notice have in all significant respects, been in accordance with the Financial Administration Act and regulations, and the Northwest Territories Liquor Act and regulations.



Kenneth M. Dye, F.C.A.
Auditor General of Canada

Ottawa, Canada
June 17, 1988

Northwest Territories Liquor Commission

Balance Sheet
as at March 31, 1988

ASSETS

	1988	1987
	(in thousands of dollars)	
Cash	$ 3,714	$ 1,969
Accounts receivable	23	80
Inventories	3,238	3,578
	$ 6,975	$ 5,627

LIABILITIES

Accounts payable	$ 1,943	$ 980
Accrued employee leave and termination benefits, including $35,000 due within one year (1987 - $38,000)	113	115
Due to the Government of the Northwest Territories (Note 3)	4,919	4,532
	$ 6,975	$ 5,627

Approved by Management:

K. Reid
Manager, Finance and Operations

R. Courtoreille
General Manager

Approved by the Department of Government Services:

John Quirke
Deputy Minister

Henry Dragon
Director of Finance

Northwest Territories Liquor Commission

Statement of Income
for the year ended March 31, 1988

	1988				1987
	Spirits	Beer	Wine	Total	Total
	(in thousands of dollars)				
Sales	$10,912	$11,923	$ 2,560	$25,395	$24,092
Less discounts on sales	206	153	60	419	383
	10,706	11,770	2,500	24,976	23,709
Cost of goods sold (Note 4)	4,598	7,049	1,101	12,748	11,891
Gross Income	$ 6,108	$ 4,721	$ 1,399	12,228	11,818
Import fees and other income				131	149
				12,359	11,967
Expenses					
Salaries, wages and employee benefits				940	1,013
Commissions to agents				569	383
Utilities				101	105
Communications, postage, stationery and supplies				91	59
Travel				40	49
Rent				38	40
Repairs and maintenance				25	35
Miscellaneous				23	44
Insurance				21	22
Computer services				16	22
Breakage and spoilage				11	15
				1,875	1,787
Net income for the year transferable to the Government of the Northwest Territories (Note 3)				$10,484	$ 10,180

Northwest Territories Liquor Commission

Statement of Changes in Financial Position
for the year ended March 31, 1988

	1988	1987
	(in thousands of dollars)	
Operating activities		
Reported net income	$10,484	$10,180
Salaries, wages and employee benefits paid by the Government of the Northwest Territories	903	1,009
	11,387	11,189
Increase (decrease) in accounts payable and accrued employee leave and termination benefits	961	(714)
Decrease (increase) in accounts receivable	57	(28)
Decrease in inventories	340	75
Funds provided by operating activities	12,745	10,522
Transfer of funds to the Government of the Northwest Territories	11,000	11,000
Net increase (decrease) in funds	1,745	(478)
Cash at beginning of the year	1,969	2,447
Cash at end of the year	$ 3,714	$ 1,969

Northwest Territories Liquor Commission

Notes to Financial Statements
March 31, 1988

1. Operations

The Northwest Territories Liquor Commission is responsible for the operation of liquor stores and the purchase, sale and distribution of liquor in the Northwest Territories under Part II of the Northwest Territories Liquor Act. The Commission is authorized by the Legislative Assembly to receive working capital advances from time to time not exceeding $5,500,000 to finance its operations.

Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Liquor Act.

2. Accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles considered to be appropriate in the circumstances and applied on a basis consistent with that of the preceding year. A summary of the significant accounting policies of the Commission is as follows:

Inventories

Inventories are valued at the landed cost at each liquor store.

Fixed assets

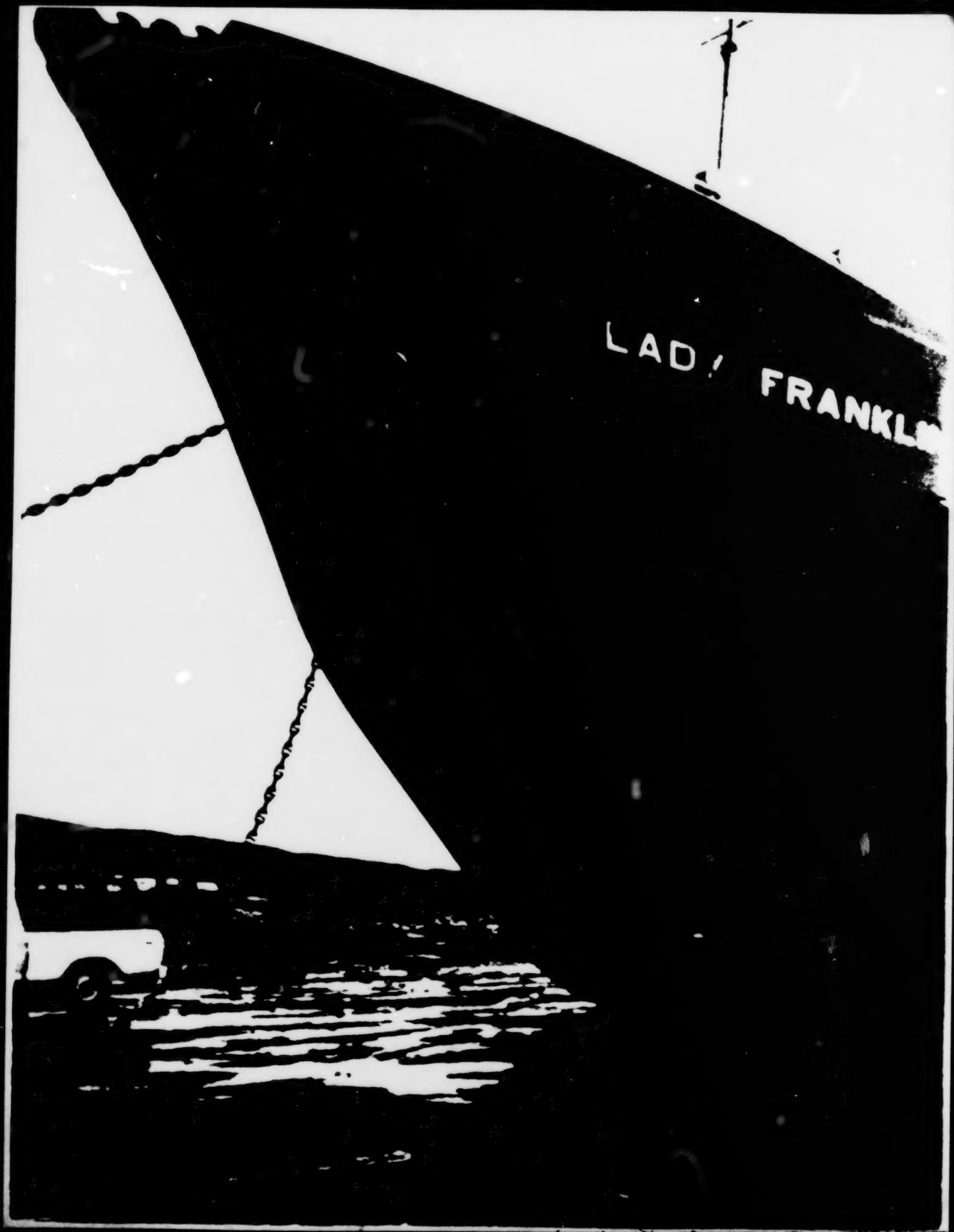
Buildings, furnishings and fixtures, are owned and paid for by the Government of the Northwest Territories, are provided for the use of the Commission without charge and are not reflected in the financial statements.

3. Due to the Government of the Northwest Territories

	1988	1987
	(in thousands of dollars)	
Balance at beginning of the year	$ 4,532	$ 4,343
Net income for the year	10,484	10,180
Salaries, wages and benefits paid by the Government	903	1,009
	15,919	15,532
Transfer of funds to the Government	11,000	11,000
Balance at end of the year	$ 4,919	$ 4,532

4. Cost of goods sold

	1988				1987
	Spirits	Beer	Wine	Total	Total
	(in thousands of dollars)				
Inventories at beginning of the year	$ 2,112	$ 546	$ 920	$ 3,578	$ 3,653
Purchases	4,141	6,073	699	10,913	10,316
Freight	208	1,145	142	1,495	1,500
	6,461	7,764	1,761	15,986	15,469
Less: Inventories at end of the year	1,863	715	660	3,238	3,578
Cost of goods sold	$ 4,598	$ 7,049	$ 1,101	$12,748	$11,891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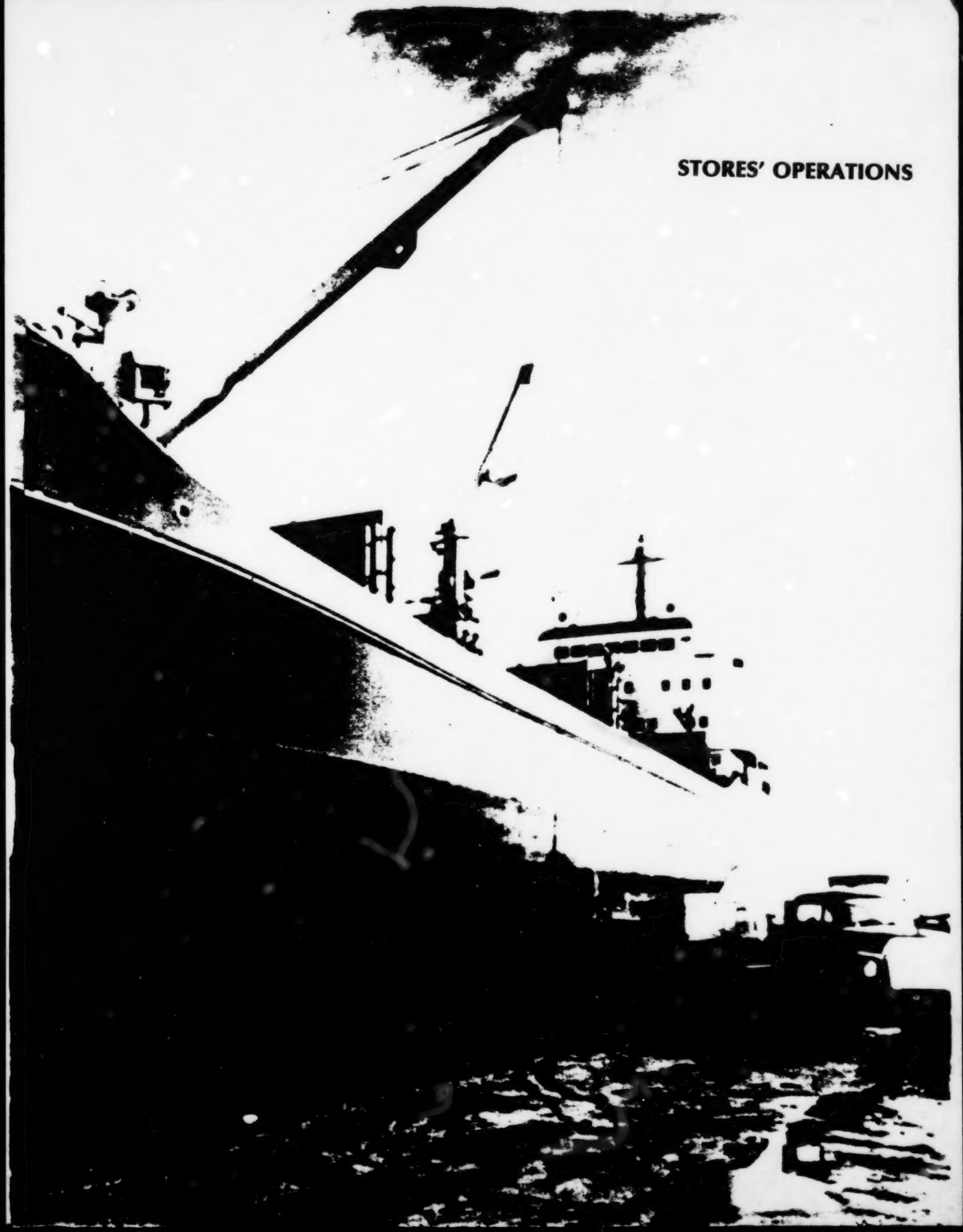
STORES' OPERATIONS



Northwest Territories Liquor Commission

YELLOWKNIFE OPERATION

Statement of Operations
for year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	$ 4,952	1,598	5,279	11,829	10,753
Less:					
Sales Discounts	206	60	153	419	382
Net Sales	4,746	1,538	5,126	11,410	10,371
Cost of Goods Sold:					
Beginning Inventory	855	513	182	1,550	1,349
Purchases	1,721	428	2,702	4,851	4,773
Freight	63	67	249	379	466
Cost of Goods Available	2,639	1,008	3,133	6,780	6,588
Ending Inventory	529	281	257	1,067	1,550
Cost of Goods Sold	2,110	727	2,876	5,713	5,038
Gross Income	2,636	811	2,250	5,697	5,332
Operating Expenses				160	153
NET INCOME				5,537	5,179

Northwest Territories Liquor Commission

INUVIK OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	2,272	253	1,542	4,067	4,091
Cost of Goods Sold:					
Beginning Inventory	465	129	186	780	743
Purchases	1,068	71	769	1,908	1,784
Freight	79	22	215	316	355
Cost of Goods Available	1,612	222	1,178	3,004	2,882
Ending Inventory	630	109	171	910	780
Cost of Goods Sold	982	113	999	2,094	2,102
Gross Income	1,290	140	543	1,973	1,989
Other Income				1	—
Operating Expenses				314	279
NET INCOME				1,660	1,710

Northwest Territories Liquor Commission

HAY RIVER OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	1,285	235	1,708	3,228	2,905
Cost of Goods Sold:					
Beginning Inventory	264	110	27	401	562
Purchases	545	79	891	1,515	1,272
Freight	14	11	68	93	92
Cost of Goods Available	823	200	986	2,009	1,926
Ending Inventory	325	110	77	512	401
Cost of Goods Sold	498	90	909	1,497	1,525
Gross Income	787	145	799	1,731	1,380
Other Income				10	—
Operating Expenses				287	193
NET INCOME				1,454	1,187

Northwest Territories Liquor Commission

NORMAN WELLS OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	499	74	486	1,059	908
Cost of Goods Sold:					
Beginning Inventory	145	32	59	236	341
Purchases	209	21	294	524	311
Freight	14	5	103	122	62
Cost of Goods Available	368	58	456	882	714
Ending Inventory	136	27	120	283	236
Cost of Goods Sold	232	31	336	599	478
Gross Income	267	44	150	460	430
Operating Expenses				86	94
NET INCOME				374	336

Northwest Territories Liquor Commission

FORT SMITH OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	552	205	811	1,568	1,640
Cost of Goods Sold:					
Beginning Inventory	73	35	32	140	131
Purchases	189	59	404	652	730
Freight	8	12	36	56	61
Cost of Goods Available	270	106	502	848	922
Ending Inventory	84	50	31	165	140
Cost of Goods Sold	186	56	471	683	782
Gross Income	366	149	340	885	858
Other Income				1	—
Operating Expenses				142	147
NET INCOME				744	711

Northwest Territories Liquor Commission

PINE POINT OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	269	31	288	588	935
Cost of Goods Sold:					
Beginning Inventory	71	28	16	115	123
Purchases	68	(5)	125	188	421
Freight	3	3	11	16	28
Cost of Goods Available	142	25	152	319	572
Ending Inventory	23	5	1	29	115
Cost of Goods Sold	119	20	151	290	457
Gross Income	150	11	137	298	478
Operating Expenses				59	92
NET INCOME				239	386

Northwest Territories Liquor Commission

FORT SIMPSON OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	621	32	426	1,079	1,033
Cost of Goods Sold:					
Beginning Inventory	28	12	20	60	78
Purchases	210	9	206	425	461
Freight	10	3	21	34	34
Cost of Goods Available	248	24	247	519	573
Ending Inventory	41	9	25	75	60
Cost of Goods Sold	207	15	222	444	513
Gross Income	317			635	520
Operating Expenses				111	109
NET INCOME				524	411

Northwest Territories Liquor Commission

IQALUIT OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales	461	132	1,121	1,714	1,477
Cost of Goods Sold:					
Beginning Inventory	148	41	12	201	293
Purchases	124	35	566	725	654
Freight	18	20	364	402	320
Cost of Goods Available	290	96	942	1,328	1,267
Ending Inventory	95	69	13	177	201
Cost of Goods Sold	195	27	929	1,151	1,066
Gross Income	266	105	192	563	411
Other Income				2	—
Operating Expenses				132	143
NET INCOME				433	268

Northwest Territories Liquor Commission

CAMBRIDGE BAY OPERATION

Statement of Operations
for the year ended March 31, 1988
(000's)

	1988				1987
	Spirits	Wine	Beer	Total	Total
Sales			262	262	244
Cost of Goods Sold:					
Beginning Inventory			18	18	9
Purchases			125	125	120
Freight			78	78	83
Cost of Goods Available			221	221	212
Ending Inventory			21	21	18
Cost of Goods Sold			200	200	194
Gross Income			62	62	50
Other Income				2	
Operating Expenses				34	32
NET INCOME				30	18